

ACCOUNTING PROCEDURE

TOPIC: Section 9--FMS Processing 7.0	EFFECTIVE DATE: 5/29/84
TITLE: Bad Check Processing	REVISION DATE: 4/1/99
AUTHORIZED BY: Cheryl Thompson, Deputy Director	PAGE 1 OF 5

**POLICY**

The Division of Management and Technology, Bureau of Fiscal Services, will serve as the coordinator for processing of bad checks.

**PROCEDURES**

Accounting for Bad Checks

The following procedures shall apply to accounting for bad checks.

1. The State Treasurer's office prepares a WiSMART cash receipt (CR) document notifying BFS that previous deposits included bad checks or stop payments (Attachment 1).
2. BFS prepares the corresponding "AM" journal voucher to enter the transaction to Appn. 993, Org. 820 into the FMS accounting system (Attachment 2).
3. BFS personnel review and determine the origin of the bad checks.
4. BFS will prepare an "AN" journal voucher clearing the entry for the bad check and the bad check charge from Appn. 993, in Organization 820. BFS will contact the organization responsible for the bad check deposit to obtain the appropriate coding on original deposit entry. (See Attachment 3)
5. Upon completion of the journal voucher, the originating organization, or the respective Lead Accountant if authority has been granted, must approve the journal voucher. The original bad check(s) will be attached to the original journal voucher.
6. For procedures on collection and write-off of bad checks, refer to **Receivables 2.0 (Debt Collection Policies--External Parties)**.

**REFERENCE**

**RECEIVABLES 2.0 (Debt Collection Policies--External Parties)**

**ATTACHMENTS**

- 1        WiSMART Cash Receipt Transaction (CR)--Notification of NSF charge from  
         Treasury
- 2        DMS-122 (Journal Voucher)--To Record Bad Checks on FMS
- 3        DMS-122 (Journal Voucher)--To Remove Bad Checks on FMS

**CONTACT PERSON**

Amy Korpady, Chief  
Institution and Administrative Accounting Section  
(608) 266-2708

ATTACHMENT 1  
WISMArt Cash Receipt Transaction (CR)  
Notification of NSF Charge From Treasurer

ACTION:           MODE: 0   DOCID: CR   435   RIS00000104   USERID: TRD0           STATUS  
APRV:   L#           OVR:   BAID:                           SECID:

01-

LINE NUMBER: 01	REF DOC ID:	REF LINE NO:
VEND/PROV/CUST:	NAME:	
BILLING CODE:		
FUND: 100	AGENCY: 435	ORG/SUB-ORG: 8200
APPR UNIT: 988	ACTIVITY: 8000	REV SRCE/SUB-REV:
PROJ NUMBER:	REPT CAT:	BS ACCOUNT: 3630
OBJ/SUB-OBJ:	DESCRIPTION: LANE NSF 3-17	
AMOUNT: 10.00	I/D: D   P/F:	

02-

LINE NUMBER: 02	REF DOC ID:	REF LINE NO:
VEND/PROV/CUST:	NAME:	
BILLING CODE:		
FUND: 100	AGENCY: 435	ORG/SUB-ORG: 8200
APPR UNIT: 988	ACTIVITY: 8000	REV SRCE/SUB-REV:
PROJ NUMBER:	REPT CAT:	BS ACCOUNT: 3634
OBJ/SUB-OBJ:	DESCRIPTION: TREAS CHG	
AMOUNT: 15.00	I/D: D   P/F:	

A---\*CU13-CONTINUING SAME DOCUMENT

JOURNAL VOUCHER

FY 0	Journal Voucher Number XXXXX	<input type="checkbox"/> AN <input checked="" type="checkbox"/> AM <input type="checkbox"/> AD <input type="checkbox"/> AW	Comments/Notations To record bad checks from the Treasurer's Office into the FMS Accounting System		Prepared By Date					
Org. # All	Organization Name All Org				Division/Institution Approval Date					
Net Amount \$25.00		Appropriation 993	Data Type 1	Debit/Credit Code * Debit = 00 Credit = 40		General Accounting Approval Date				
				Pre-Audit Approval Date						
Line	Appn.	Account	Center			Amount	Debit/ Credit Code*	Description	Cross Ref.	Error Message Code
1	993	495990	8200	000	200	10.00	00	RI5 000 001 04		
2	993	495990	8200	000	200	15.00	00			
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
Entered By			Date			Total This Page (Optional)		Distribution: Original - BFS Copy - Organization		Page of

ORIGINAL BFS

JOURNAL VOUCHER

FY 0	Journal Voucher Number XXXXXX		<input checked="" type="checkbox"/> AN <input type="checkbox"/> AM <input type="checkbox"/> AD <input type="checkbox"/> AW		Comments/Notations  To remove bad check and bad check charge from APPN 993, ORG 820 and reallocate charges to responsible organization.			Prepared By		Date
Org. # All		Organization Name All ORG						Division/Institution Approval		Date
								General Accounting Approval		Date
Net Amount 0.00		Appropriation 993		Data Type 1	Debit/Credit Code * Debit = 00      Credit = 40			Pre-Audit Approval		Date

  

Line	Appn.	Account	Center			Amount	Debit/ Credit Code*	Description	Cross Ref.	Error Message Code
1	993	495990	8200	000	200	10.00	40	RI5 000 001 04		
2	993	495990	8200	000	200	15.00	40			
3		Accounting data to be obtained from originating organization				10.00	00			
4		Accounting data to be obtained from originating organization				15.00	00			